

nonprofit community swimming pool, and a trust that forms part of a stock bonus, pension profit sharing, annuity, or deferred compensation plan, is deleted as unnecessary in light of the general reference to a corporation "exempt from taxation under § 501 of the Internal Revenue Code".

Former Art. 81, § 279(d), which defined "[p]artnership", is deleted as unnecessary in light of the reference to "§ 761 of the Internal Revenue Code" in item (6) of this section.

Former Art. 81, § 314(b) and the second and third clauses of (a), which related to assessing, reporting and taxing the income of separate fiduciary accounts participating in a common trust fund and to tax computation, are deleted as unnecessary in light of the federal requirement under the Internal Revenue Code that similar computations be made and the resulting income be included in the federal adjusted gross income of an individual or federal net income of a corporation.

The third and fourth sentences and the first clause of the second sentence of former Art. 81, § 315, which related to assessing, reporting and taxing the income of a partnership, are deleted as unnecessary in light of federal requirements that similar computations be made and the resulting income be included in the federal adjusted income of an individual or federal net income of a corporation.

The Tax - General Article Review Committee notes, for consideration by the General Assembly, that when former Art. 81, § 288(d)(9) -- now item (7) of this section -- was enacted, S corporations did not pay any federal income tax. Subsequently, however, §§ 1374 and 1375 of the Internal Revenue Code imposed federal income tax liability on S corporations under certain circumstances.

As to the requirement that a partnership file a tax return, see § 10-814 of this title.

Defined terms: "Financial institution
franchise tax" § 1-101

"Income tax" § 1-101 "Internal Revenue Code" § 1-101

"S corporation" § 10-101

10-105. STATE INCOME TAX RATES.

(A) INDIVIDUAL.

THE STATE INCOME TAX RATE FOR AN INDIVIDUAL IS: